

PUBLICATION INFORMATION:

Helm Financial Corp. v. Iowa Northern Ry. Co., ___ F. Supp. 2d ___, 2002 WL 1715675
(N.D. Iowa June 10, 2002) (with original ruling on cross-motions for summary judgment)

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF IOWA
CENTRAL DIVISION**

HELM FINANCIAL CORPORATION,

Plaintiff,

vs.

IOWA NORTHERN RAILWAY
COMPANY,

Defendant.

No. C 01-3006-MWB

**MEMORANDUM OPINION AND
ORDER REGARDING PLAINTIFF'S
MOTION TO CORRECT MISTAKE
IN ORDER AND PLAINTIFF'S
MOTION TO ALTER OR AMEND
JUDGMENT**

This matter comes before the court pursuant to plaintiff Helm's June 6, 2002, "Motion to Correct Mistake in Order," and Helm's June 7, 2002, "Motion to Alter or Amend Judgment." Both motions challenge portions of this court's May 31, 2002, Memorandum Opinion and Order Regarding the Parties' Cross-motions for Summary Judgment. The first motion challenges the court's denial of that part of Helm's motions for summary judgment seeking unpaid rent on the IANR locomotives at issue in this litigation, while the second motion challenges this court's granting of IANR's motion for summary judgment on Helm's claim of unjust enrichment concerning the MKXC locomotives also at issue in this litigation.

As this court recently explained in *EEOC v. American Home Products Corp.*, 165 F. Supp. 2d 886 (N.D. Iowa 2001), although the Federal Rules of Civil Procedure do not seem to provide any basis for a motion to reconsider this court's *granting* of partial summary judgment, that means that this court actually has more, rather than less, discretion to alter or amend such an interlocutory order than is provided by either Rule 59(e) or Rule 60(b) of the Federal Rules of Civil Procedure. See *American Home Prods. Corp.*, 165 F. Supp. 2d at 892. This court has also held that courts retain the power to reconsider and revise an

order *denying* summary judgment, which is also interlocutory in nature, up until the time a final judgment is entered. *See Longstreth v. Copple*, 189 F.R.D. 401, 403 (N.D. Iowa 1999). Therefore, the court has the authority to correct, reconsider, alter, or amend the challenged portions of its May 31, 2002, Memorandum Opinion and Order Regarding the Parties' Cross-motions for Summary Judgment, should the court decide that it is appropriate or necessary to do so. Under the circumstances presented here, the court finds it unnecessary to wait for IANR's resistance to Helm's motions to correct, alter, or amend, if any, before ruling on them.

In its "Motion to Correct Mistake in Order," Helm contends that the court apparently "overlooked" the fact that there is no genuine issue of material fact that IANR owes Helm \$103,020.00 in unpaid rent on the IANR locomotives, nor is there any genuine issue of material fact on the amount of interest on unpaid rent, as calculated pursuant to the terms of the IANR Lease (\$24,576.58 as of May 31, 2002, plus interest accruing from June 1, 2002, forward until paid). Helm contends that it conceded only that there were genuine issues of material fact as to the amount of repair costs, transportation and inspection expenses, and legal fees involving these locomotives to which it was entitled.

The court finds that, in its summary judgment ruling, it repeatedly recognized that IANR disputed whether any unpaid rent for the IANR locomotives was due, for various reasons, but neither the ruling nor the record properly indicates that IANR ever disputed the *amount* of unpaid rent. Moreover, at page 51 of its summary judgment ruling, the court noted that, as to the IANR locomotives "Helm . . . concedes that the *amount* of repair costs, interest due on past due rent, and attorney fees may be subject to genuine issues of material fact." Memorandum Opinion and Order Regarding the Parties' Cross-motions for Summary Judgment, May 31, 2002, slip op. at 51 (emphasis in the original). It was as to *the MKCX locomotives* that the court later found, on page 92 of its ruling, that "Helm concedes . . . that the amounts of rent and repair costs that it is entitled to recover from

IANR are subject to genuine issues of material fact.” *Id.* at 92. Thus, Helm is correct that there are no genuine issues of material fact as to the amount of unpaid rent on the IANR locomotives.

Therefore, the summary judgment ruling should, indeed, be “corrected” to state that Helm is entitled to summary judgment regarding the IANR locomotives not just as to IANR’s liability for unpaid rent and interest thereon, but also as to damages for unpaid rent in the amount of \$103,020.00. However, the court does not agree that it must necessarily enter summary judgment for interest on unpaid rent on the IANR locomotives through June 1, 2002, even assuming that there is no genuine issue of material fact as to how that interest would be calculated under the terms of the IANR Lease. Rather, because the court already concluded that IANR is liable to Helm for interest on unpaid rent on the IANR locomotives under the terms of the IANR Lease, but that interest continues to accrue, and the rate varies over time, the amount of interest on unpaid rent does not need to be determined until *final* judgment is entered. Thus, Helm’s June 6, 2002, “Motion to Correct Mistake in Order” will be granted in part and denied in part.

In Helm’s June 7, 2002, “Motion to Alter or Amend Judgment,” Helm contends that the court improperly concluded that IANR was not “unjustly enriched” by use of the MKCX locomotives, which were on loan to IANR from CDAC, but were subject to a lease to CDAC held by Helm, even if IANR did not pay Helm any rent for its use of those locomotives, because IANR had somehow established that it had “compensated” the proper lessee, CDAC, for its use of the MKCX locomotives. Helm contends that the evidence submitted by IANR in support of its claim that it had paid or compensated CDAC for its use of the MKCX locomotives does not support that claim. This is so, Helm contends, because IANR never submitted the power-sharing agreement between CDAC and IANR to the summary judgment record and, Helm contends, the affidavits offered instead support only a conclusion that CDAC owed IANR power under the power-sharing agreement, and

transferred the MKCX locomotives to IANR to satisfy that “debt,” but not how or when CDAC incurred such a “debt.” In short, Helm contends that the affidavits do not establish that IANR paid or otherwise compensated CDAC for use of the locomotives. In a footnote in its brief in support of this motion, Helm also contends that the court improperly concluded that Helm had an adequate legal remedy against CDAC, the proper lessee of the MKCX locomotives, again relying on language from an opinion of the Iowa Supreme Court stating that “no independent principle exists that restricts restitution to cases where alternative remedies are inadequate.” These contentions are without merit.

First, Helm now contends that it is impossible to determine whether IANR compensated CDAC for use of the MKCX locomotives without the power-sharing agreement between those two railroads being part of the summary judgment record, but at the time the court was considering the summary judgment motions, Helm contended that the power-sharing agreement was “irrelevant.” Helm can’t have it both ways. Next, the court adequately addressed Helm’s present sufficiency-of-the-evidence arguments on pages 98-101 of its summary judgment ruling. The court found the record evidence submitted by IANR was sufficient to demonstrate that IANR used the MKCX locomotives pursuant to the power-sharing agreement between CDAC and IANR, under which CDAC owed IANR locomotive power, and that IANR had thus “compensated” CDAC for use of the MKCX locomotives, and that Helm knew of IANR’s use of the MKCX locomotives, but continued to invoice CDAC for rent for the entire time that IANR was using those locomotives. The court also detailed Helm’s failure to genuinely dispute these factual averments. Therefore, the court reaffirms its conclusion that, under the circumstances presented by the undisputed facts, as a matter of law, IANR was not “unjustly enriched” by its use of the MKCX locomotives, even if Helm was not compensated directly by IANR, because IANR compensated CDAC for use of the locomotives by offsetting that use against power CDAC owed IANR under their power-sharing agreement.

Moreover, Helm misrepresents or simply fails to understand the court's conclusions concerning the impact of an adequate remedy at law—in this case, an action at law by Helm against CDAC—as a jurisdictional bar to Helm's unjust enrichment claim against IANR concerning the MKCX locomotives. This court expressly recognized that, in *Iowa Dept. of Human Services ex rel. Palmer v. Unisys Corp.*, 637 N.W.2d 142 (Iowa 2001), the Iowa Supreme Court stated that “no independent principle exists that restricts restitution to cases where alternative remedies are inadequate.” *Palmer*, 637 N.W.2d at 154 n.2. However, as this court also explained, in *Palmer*, the Iowa Supreme Court continued by stating that “[t]he adequacy of a legal remedy is a general limitation on the exercise of equity jurisdiction and is properly considered when restitution is sought *in equity*.” *Palmer*, 637 N.W.2d at 154 n.2 (emphasis added). This court then found that Helm had expressly clarified that its action to recover rent and repair costs for the MKCX locomotives from IANR is under the *equitable doctrine of unjust enrichment*. See, e.g., Helm's Reply to Defendant's Brief and Amended Brief in Support of Resistance to [Helm's First] Motion for Summary Judgment at 10 & n.4. Thus, the “general limitation” identified in *Palmer* is applicable here, and the availability of an action at law by Helm to recover rent and repair costs for the MKCX locomotives from CDAC defeats Helm's equitable claim of unjust enrichment against IANR concerning those same locomotives. The court also now reaffirms this alternative—and entirely sufficient—basis for granting IANR's motion for summary judgment on Helm's unjust enrichment claim concerning the MKCX locomotives.

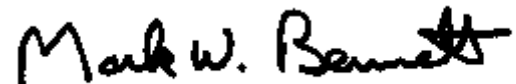
THEREFORE,

1. Helm's June 6, 2002, “Motion to Correct Mistake in Order” is **granted** to the extent that the court's May 31, 2002, summary judgment ruling is amended to state that Helm is entitled to summary judgment to the further extent that IANR is liable for damages for unpaid rent on the IANR locomotives in the amount of \$103,020.00. Helm's June 6, 2002, “Motion to Correct Mistake in Order” is otherwise **denied**.

2. Helm's June 7, 2002, "Motion to Alter or Amend Judgment" is **denied in its entirety.**

IT IS SO ORDERED.

DATED this 10th day of June, 2002.

A handwritten signature in black ink that reads "Mark W. Bennett". The signature is written in a cursive style with a horizontal line underneath it.

MARK W. BENNETT
CHIEF JUDGE, U. S. DISTRICT COURT
NORTHERN DISTRICT OF IOWA